

largest economy. Like Malaysia, it has consistently high growth of about 5 percent a year over the last 10 years. It is a high-income economy with per capita income about \$20,000/year.

And it is a major world trader—the world's seventh largest goods and services exporter. We are already Korea's second largest trading partner.

But we are under no illusions about the challenge ahead. As with Malaysia, we have about a year to complete the agreement, which will be no small feat in light of the size of the Korean economy and the number of non-tariff measures unique to Korea. But because of the extensive preparatory work that was done and the political commitment on both sides, we believe it is achievable.

We also have an active bilateral agenda that's distinct from our FTA negotiations.

At about the same time we were concluding the Singapore FTA, President Bush announced the Enterprise for ASEAN Initiative in 2002. This is really the strategic framework for our trade relationship with the ASEAN countries.

It's a vision for a network of FTAs with those ASEAN economies that have demonstrated an ability to resolve bilateral trade issues, build strong support in the U.S. business community and in the Congress, and are ready to meet our comprehensive FTA commitments.

TIFAs—Trade and Investment Framework Agreements—are really just a fancy acronym for an ongoing trade dialogue. TIFAs are one of many possible bilateral vehicles that can work to take a trade relationship to the next level.

The point is that we are broadening and deepening our trade relationships throughout the region, and the shape that takes for each country depends on each country. Indeed, precisely because the region is so dynamic, there is no "one size fits all" for trade agreements here.

We have TIFAs with 7 countries in Asia.

Our TIFA discussions with the Philippines and Indonesia are great examples of the breadth of issues that can be covered.

The Philippines have lifted its ban on U.S. beef, opened its market to U.S. poultry and modified their decision to increase auto tariffs. There have also been major accomplishments on IPR, including stronger legislation and increased coordination among IP agencies.

Indonesia's Trade Minister Pangestu was just in town in March for TIFA discussions. She and Ambassador Portman announced a customs cooperation agreement and an MOU on textiles. They also announced their intention to negotiate a bilateral investment treaty and the first agreement ever on illegal logging and illegal trade in endangered species.

As a major exporter of forest products that compete with illegal logs, this should be of interest to Oregon. We hope the agreement will be a model for other countries who have an interest in protecting their land and sensitive habitats from illegal logging, while making sure they have access to legally produced timber.

We are particularly excited about the agreement in principal we reached with Vietnam May 14 on bilateral market access that will pave the way for Vietnam to enter the WTO.

This is a major accomplishment, considering that it wasn't that long ago—just a little more than a decade—that France was Vietnam's major trading partner and Vietnam was a state-controlled economy.

Now the U.S. is Vietnam's major partner and it's clear Vietnam recognizes its future is tied to the global economy, through broad-based economic reform.

You can see this in the stats: its growth rate last year alone was 8.4 percent, the fastest in Southeast Asia. Its imports have grown dramatically. Last year our exports to Vietnam were up 24 percent. Two-way trade with the U.S. has grown to more than \$8 billion, which is an increase of more than 400 percent since 2001.

Our bilateral agreement will result in real market access for U.S. companies when Vietnam accedes to the WTO.

About 94% of Vietnam's imports from the United States will face duties of less than 15%. Major U.S. exports like construction equipment, pharmaceuticals and aircraft will face duties of less than 5%.

Vietnam will join the Information Technology Agreement, implement low duties on nearly all medical equipment and to harmonize its chemicals tariffs.

About three-fourths of U.S. agricultural exports to Vietnam will face duties of less than 15%. And, Vietnam will open up telecom, distribution, financial, insurance and energy services to foreign participation.

The next step is for Congress to grant Vietnam Permanent Normal Trade Relations (PNTR), so that U.S. companies can take advantage of all of the benefits I've just described. We believe there is bipartisan support for PNTR, and are consulting with the Hill to highlight the benefits of the agreement.

Last but certainly not least, let me say a few words about Japan and China.

Japan of course is our 4th largest trading partner. And the question that is always posed is why aren't we negotiating an FTA with Japan? And the answer is, as with all of our FTAs, we always seek a fully comprehensive agreement that covers all industry sectors, including agriculture. And the reality is that Japan is not yet interested in negotiating this kind of fully comprehensive agreement.

That said, Japan certainly is one of our most important trade relationships. We already have an advanced approach to working with Japan, under our Joint Economic Partnership for Growth, which includes work across a number of important areas—including regulatory reform, financial services, express delivery and investment.

And we are looking at new ways to integrate our markets more, particularly in the area of IPR, both through APEC and bilaterally.

And then there is China. Thirty years ago China accounted for less than one percent of the world's economy. Today, it is four percent of global economic activity, with almost \$1 trillion in foreign trade annually, one third of which is with the U.S.

It is one of the world's fastest growing economies, with almost 10 percent growth in 2005, the third largest economy in the world in terms of purchasing power, and our second largest trading partner.

What is often overlooked in our relationship with China is the opportunity—the fact that it is our fastest growing export market and that U.S. companies are doing quite well there.

Exports to China have increased at a clip of about 20 percent a year for the past five years. What's even more impressive is that in the first 3 months of this year we almost doubled that rate, with our exports increasing 39%, 2 times faster than our exports to Japan and more than double the growth rate of U.S. imports from China during the same period.

And, China is not a market just for large, sophisticated companies. The number of small and medium-sized enterprises (SMEs) exporting to China rose faster than to any other major market in the last ten years, with the total number of firms exporting to China quadrupling.

But as with any complex relationship, there are challenges. In February, USTR unveiled a top-to-bottom review which concluded that, while the U.S. has clearly derived substantial benefits from U.S.-China trade, the relationship has not been sufficiently balanced.

We are entering a new phase in our relationship with China. We are treating it as a mature trading partner and drawing upon the full set of tools available to us to make sure China complies with its commitments.

You may have noticed that we were just joined by Canada and the EU in bringing a case to the WTO over China's unfair barriers to imported auto parts. Of particular concern has been its WTO commitment to enforce intellectual property rights.

We've had two recent opportunities to strengthen this relationship. The Joint Commission on Commerce and Trade, or JCCT, chaired by the Secretary of Commerce and the USTR, met in April as it does each year to discuss our bilateral trade agenda. And then there was President Hu's visit to see President Bush ten days later.

At the JCCT, the Chinese made a number of commitments to strengthen their enforcement of intellectual property, resume trade in U.S. beef, improve access to China's telecom market, sign the WTO government procurement code and take steps on transparency and export controls.

During his remarks on the South lawn, (just before the Falun Gong protester made her remarks, President Hu reiterated the key commitments China made during the JCCT, such as boosting domestic demand and increasing imports, improving market access and strengthening intellectual property protection.

And President Bush impressed upon Vice Premier Wu Yi that the value of these commitments was in the follow-through. We are currently working with our Chinese counterparts to turn these commitments into reality.

So we believe our relationship with China is on track.

To sum up, there are really just three points.

First, the transformation of the Asia-Pacific region from a center of low-cost manufacturing to what has become the growth engine for the world economy has been truly remarkable;

Second, we "get" at USTR that for Oregon's companies—and all U.S. companies—to stay innovative and globally competitive, they have to be integrated into the fabric of the Asia-Pacific;

And third, we have a strategy to do just that, one that contemplates the economic diversity of the region and employs a variety of tools matched to the potential, capacity and willingness of our trading partners.

Thank you.

ENRICHED URANIUM

Mr. VOINOVICH. Mr. President, last year after many years of effort, the Congress finally passed a bipartisan energy bill, the Energy Policy Act, which I was very pleased to work on and support. I believe, as I know many of my colleagues believe, that abundant, stable and affordable energy is one of the most fundamental challenges the United States faces in terms of job creation and our ability to compete in the global marketplace.

In order to best meet these challenges, I believe we need to develop and nurture all forms of energy—including

coal, oil, natural gas, renewables and clean, safe nuclear energy. In doing so, we need to promote energy diversity and conservation.

I commend the Chairman DOMENICI and Ranking Member BINGAMAN of the Senate Energy Committee for their outstanding work on the bill. In particular, I applaud their work in promoting new nuclear generation, and in fact helping to launch a nuclear renaissance in the United States.

According to the Energy Committee, the bill will have a dramatic effect:

Because of the provisions in the energy bill, including the loan guarantee authority, the production tax credits, and the insurance protection against licensing delays and litigation, electricity generating companies and consortiums across the United States are preparing applications for permission to build up to 25 new nuclear power plants.

The committee further states that if all 25 plants are built: they would generate between 20,000–25,000 megawatts of new electricity, enough to power 15 million households; they would create between 40,000 and 45,000 construction jobs; and they would create approximately 10,000 high paying, high-tech plant operation jobs.

As my colleagues also know, one of our often stated but not yet achieved priorities is to foster energy independence. I must point out to my colleagues that at present our country is threatened not only by our current dependence on foreign oil, but also by a possible future dependence on Russian uranium needed to fuel U.S. nuclear reactors.

Earlier this year, when President Bush traveled to Russia for the G8 summit, I was pleased to join in a letter led by Senators DOMENICI, BINGAMAN and DEWINE that expressed our concern about further expansion of Russian uranium into the domestic marketplace. We wrote of our concern that any changes proposed in either the Highly Enriched Uranium, HEU, Agreement or the Suspension Agreement would have the potential of making the U.S. more dependent on foreign sources of nuclear fuel at a time when domestic sources are being developed. Further, the letter stated that additional Russian access to the U.S. market at this time is likely to result in market destabilization potentially jeopardizing resurgence of the nuclear-related industry.

Frankly, I am concerned not only based on our goal being secure in our energy needs, but because of concerns regarding our national security. Russia is the largest single supplier of uranium enrichment services to U.S. utilities, providing 45 percent of the domestic market.

Unfortunately, a recent decision of the U.S. Court of Appeals for the Federal Circuit has created a possible loophole in U.S. antidumping law that could further expose the U.S. to a greater reliance on Russian uranium. This decision is important because the United States government is currently

engaged in negotiations with Russia over possible changes to the U.S.-Russian Suspension Agreement, with critical meetings to take place this month and in January.

Unfortunately, this possible loophole may compromise the administration's negotiating position because Russia now believes it can simply terminate, rather than renegotiate, this agreement, and subsequently exploit this possible loophole to avoid any dumping liability on its low enrichment uranium exports. Under this decision, the Russians can designate their uranium fuel as a "service" and bypass the U.S. trade restrictions that are in place to regulate the import of "goods".

I had planned to offer a narrow amendment expressing concern over possible Russian plans to export more uranium and to support maintaining the existing Suspension Agreement and HEU Agreement between the United States and Russia. In fact, I have a communication from the National Security Council that states the administration's support for language similar to the amendment I had drafted.

The basis for my concerns for our national security is this: should the Russians back out of the Suspension Agreement in an effort to obtain direct access to the U.S. nuclear fuel market, this could undermine and disrupt the HEU Agreement. The bottom line is the Suspension Agreement and the HEU Agreement have a direct relationship. It is clear to this Senator that changes to the Suspension Agreement would have significant consequences to the HEU Agreement, and there is no doubt that ensuring uninterrupted execution of the HEU Agreement is absolutely in the U.S. national security and energy security interests.

That being said, I understand there is concern with addressing the issue at this time, and I have decided to withhold further action. While I am disappointed that there is not enough time in this Congress to deal with this important issue, it is my hope that this situation can be quickly addressed in the 110th Congress.

(At the request of Mr. ALLEN, the following statements were ordered to be printed in the RECORD.)

VOTE EXPLANATION

• Mr. WARNER. Mr. President, rollcall vote No. 275 was in reference to Executive Calendar No. 924, the nomination of Kent Jordan to be a U.S. Circuit Court Judge for the Third Circuit. I had to be necessarily absent from this vote so that I could attend and speak to an international conference in England sponsored by the Ditchley Foundation to discuss the steps required to eradicate worldwide terrorism. Had I been able to vote, I would have voted for cloture on the nomination.

Mr. President, I had to be necessarily absent from votes today so that I could attend and speak to an international conference in England sponsored by the

Ditchley Foundation to discuss the steps required to eradicate worldwide terrorism. Had I been able to vote on the motion to invoke cloture on the tax extenders package, I would have voted in favor of it.

I had to be necessarily absent from votes today so that I could attend and speak to an international conference in England sponsored by the Ditchley Foundation to discuss the steps required to eradicate worldwide terrorism. Had I been able to vote on the motion to waive regarding the tax extenders package, I would have voted in favor of it.

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CAPTAIN JOHN SMITH CHESAPEAKE NATIONAL HISTORIC TRAIL

• Mr. WARNER. Mr. President, I speak in support of legislation that passed the Senate unanimously last evening to establish the CAPT John Smith Chesapeake National Historic Trail.

This House legislation, championed by my Virginia colleague, Congresswoman JO ANN DAVIS, and supported by many in the Chesapeake Bay watershed, is the companion to S.2568, introduced by Senators SARBANES, ALLEN, MIKULSKI, CARPER, BIDEN, SANTORUM, SPECTER, and myself. It establishes the first all-water trail in the National Park Service trail system. This trail commemorates Captain John Smith's 2,300-mile voyages to explore the Chesapeake Bay and its tributaries in 1607–1609, and will become an important component of our national ceremonies next year to mark the 400th anniversary of the establishment of Jamestown in 1607.

Events to commemorate the 400th anniversary of Jamestown, the first permanent English settlement in America, will remind Americans that Jamestown was the birthplace of representative democracy, religious freedom, free enterprise, and as distinguished by the voyages of John Smith, the spirit of exploration. The cornerstone of this year-long commemoration is to tell the complete story of the convergence of three cultures at Jamestown between Europeans, Native Americans, and African Americans.